

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Neutral

BILL NUMBER: SB 634
AUTHOR: Senate Public Employment
and Retirement
RELATED BILLS: SB 1376 (2008)

BILL SUMMARY: STRS Technical Clarifying

This bill would make non-substantive, technical, and conforming amendments to the California State Teachers' Retirement System (STRS) law.

FISCAL SUMMARY

STRS staff indicates that the costs associated with this bill would be minor and absorbable.

COMMENTS

The Department of Finance takes a neutral position on this bill. The intent of this bill is to allow STRS to facilitate efficient administration of its various programs.

This bill would:

- Clarify that changes to base hours apply to the entire specified class of community college employees.
- Clarify Defined Benefit program enrollment for substitute teachers and part-time employees.
- Conform to federal law by adding language back, which was previously removed by Chapter 513, Statutes of 2007, prohibiting registered domestic partners from rolling over the balance of their retirement account to one another.
- Clarify that the balance of a deceased member's Coverage B account may be paid to the member's designated beneficiary upon termination of all children's allowances. This action parallels the action taken under Coverage A; which provides that upon termination of family allowance prior to the payment of allowance equal to the member's accumulated contributions, the balance shall be paid to the member's beneficiary.
- Clarify that a member applying for disability must submit a written application on a form specified by STRS.
- Clarify post-retirement earnings limit exemption notification timeframes.
- Clarify an oversight that would make the Defined Benefit Supplement Program (DBS) and the Cash Balance Benefit Program mirror each other and base a member's annuity's value on the current value, not the initial value.
- Clarify that a member who retires from the Defined Benefit Program, must also retire from the DBS. To address outstanding accounts of members not yet receiving DBS funds that should be, this bill would distribute the balance of the DBS accounts to each applicable member or beneficiary in a lump-sum by March 31, 2010.
- Make other minor clarifying amendments.

Analyst/Principal (0932) K. Martone	Date	Program Budget Manager Diana Ducay	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL NUMBER

SB 634

		(Fiscal Impact by Fiscal Year)								
Code/Department		LA	(Dollars in Thousands)							
Agency or Revenue		CO	PROP						Fund	
Type		RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	Code
1920/STRS		SO	No		-----	No/Minor	Fiscal Impact	-----		0835
<u>Fund Code</u>	<u>Title</u>									
0835	Teachers' Retirement Fund									